

## BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

ROBERT "BOB" BURNS - Chairman  
BOYD DUNN  
SANDRA D. KENNEDY  
JUSTIN OLSON  
LEA MÁRQUEZ PETERSON

|                                      |   |                                       |
|--------------------------------------|---|---------------------------------------|
| In the matter of:                    | ) | DOCKET NO. S-21125A-20-0294           |
| Abuchi Okoye, A Nigerian individual  | ) |                                       |
| Coininvest, an unincorporated entity | ) | <b>AMENDED TEMPORARY ORDER TO</b>     |
|                                      | ) | <b>CEASE AND DESIST AND NOTICE OF</b> |
| Respondents.                         | ) | <b>OPPORTUNITY FOR HEARING</b>        |

**NOTICE: THIS ORDER IS EFFECTIVE IMMEDIATELY**

**EACH RESPONDENT HAS 20 DAYS TO REQUEST A HEARING**

**EACH RESPONDENT HAS 30 DAYS TO FILE AN ANSWER**

The Securities Division ("Division") of the Arizona Corporation Commission ("Commission") alleges that respondents Abuchi Okoye, and Coininvest are engaging in or are about to engage in acts and practices that constitute violations of A.R.S. § 44-1801, *et seq.*, the Arizona Securities Act ("Securities Act") and that the public welfare requires immediate action.

The Division also alleges that Abuchi Okoye is a control person within the meaning of A.R.S. § 44-1999(B), so that he is jointly and severally liable under A.R.S. § 44-1999(B) to the same extent as Coininvest for its violations of the antifraud provisions of the Securities Act.

**I.****JURISDICTION**

1. The Commission has jurisdiction over this matter pursuant to Article XV of the Arizona Constitution and the Securities Act.

**II.**

**RESPONDENT**

2. Respondents Abuchi Okoye and Coininvest may be referred to collectively as “Respondents.”

3. At all times relevant, Respondent Abuchi Okoye (“Okoye”) resided in Otolu, Nnewi, Anambra, Nigeria and exercised control over Coininvest and a domain name of arque-capital.com.

**III.**

**FACTS**

**I. THE ACTUAL ARCADIA CAPITAL PARTNERS, LLC**

4. Arcadia Capital Partners, LLC (“ACP”) is a Registered Dealer with the Arizona Corporation Commission (“Commission”), the Financial Industry Regulatory Authority (“FINRA”) and the United States Securities and Exchange Commission (“SEC”).

5. ACP maintains a website and conducts business related to Private Placement of Securities and Advisors regarding mergers and acquisitions.

6. The Managing Director of ACP (“Managing Director”) states he came into knowledge of an imposter website when a representative of a similarly named company with a similarly named domain contacted ACP to see if ACP had received calls related to bitcoin.

7. The Managing Director viewed the website at Arcadia-Capital.net purporting to belong to Arcadia Capital (“Arcadia”) and noted the website depicted ACP’s address in Phoenix, Arizona, but the Arcadia website depicted a different telephone number and email address than that of ACP.

8. ACP noted that Arcadia’s website appeared to be offering investments in bitcoin and cryptocurrency. ACP does not deal in or offer investments in bitcoin and cryptocurrency.

9. The Managing Director determined that Arcadia is unaffiliated with and has no relationship to ACP.

10. The Managing Director subsequently received a voice mail from a person wanting to know about “crypto investments.”

11. The Managing Director reported the matter to the authorities.

12. The facts show that ACP has nothing to do with Respondents and the Arcadia-Capital.net website and that Respondents are stealing the reputation and credentials of ACP to commit their fraud.

## II. THE PIRATED ARCADIA WEBSITE

13. Respondents own the domain name Arcadia-Capital.net. Respondents have a website found at Arcadia-Capital.net and represent the website as Arcadia Capital (“Arcadia”). On the website, which is available to the general public, Arcadia is representing itself as Arcadia Capital in an attempt to misrepresent to offerees and investors that Arcadia is the registered broker, ACP. As stated above, Arcadia has no relationship with ACP. The website provides the Phoenix, Arizona business address for ACP and displays a FINRA Central Registration Depository (“CRD”) number for ACP.

14. Respondents registered the website with a domain service entity, which is located in Phoenix, Arizona, on August 25, 2017 and provided a web address similar to that of ACP.

15. Respondents have a Facebook page that represents Arcadia as Arcadia Capital and provides the same telephone number as provided on Arcadia’s website.

16. Respondents are soliciting investors to purchase investments in bitcoin and cryptocurrency via the pirated website at Arcadia-Capital.net and a social media account.

17. Respondents state on its website, “SAFE AND SECURE CRYPTOCURRENCY INVESTMENT” “CRYPTOCURRENCY MINING FOREX TRADING AND CFD MARKETS”.

18. In the “HOW IT WORK” [sic] section it states, “Safe and Secured Bitcoin Profit” and provides the instructions on how to invest as “1 CREATE YOUR ACCOUNT Go to account registration section and fill a simple for [sic] that is needed to successfully complete [sic] your registration”; “2 MAKE DEPOSIT Make a deposit to any of the 6 investment packages.[sic]”; “3 WAIT AND WITHDRAW PROFIT Once the purchased plan time is exhausted, you [sic] have every right to withdraw your profits to [sic] your bitcoin wallet.”

1           19. Actual and potential investors who visit the Arcadia-Capital.net account are asked to  
2 “invest now” in one of several “Forex Investment Plans” and “CDF Market Plans” presented on the  
3 site.

4           20. The Forex Investment Plans offer three options: Armature Plan (10% after 15 Hours,  
5 minimum of \$30 and maximum of \$5,000), Standard Plan (17% after 27 Hours, minimum of \$1,000  
6 and maximum of \$15,000) and Professional Plan (30% after 38 Hours, minimum \$2,500 and  
7 maximum of \$25,000).

8           21. The “About Us” section states, “Arcadia-Capital makes the trader [*sic*] of more than  
9 40 encrypted currencies in world brokers (poliniex and others) with strategies and a lot of  
10 responsibility, using high technology and advanced tools, monitored through a chart of a team of  
11 traders professional and experienced in this market, and thus have a very high profitability success.  
12 A community founded to revolutionize the market of crypto-traders, inserted in this billionaire  
13 market, competitive and few people have access to. Miningfarm through a team of professionals  
14 trader specialists, comes with an opportunity for anyone to produce results in this digital currency  
15 market. Be our partner by investing with us and get percentage return on investment. We keep your  
16 investment safe and your profit is assured.”

17           22. Investors can sign up on the website by providing their name, a password, and email  
18 address.

19           23. At least one Missouri investor provided \$2,500 to Arcadia, believing it to be the  
20 real ACP. The investor used a “chat” option that was available on the website and spoke with  
21 someone who identified himself as “Sam Walker.”

22           24. The Aracdia-Captial.net website provides an online wallet which indicates the  
23 balance of the funds in an investor’s account. The Missouri investor noticed that the online wallet,  
24 indicated a balance of zero. The Missouri investor asked Sam Walker about the zero balance and  
25 was advised there had been some technical issues and it would cost the him \$100 to retrieve the  
26 money in his online wallet.

25. The investor is still in contact with Arcadia, has not received any profits or a return on his investment to date, and his investment funds have not been returned to him.

### III. THE ACTUAL ARQUE CAPITAL, LTD.

26. Arque Capital, LTD. ("AC") is a Registered Dealer with the Arizona Corporation Commission ("Commission"), the Financial Industry Regulatory Authority ("FINRA") and the United States Securities and Exchange Commission ("SEC").

27. AC maintains a website and conducts business related to investment banking, securities, and wealth management.

28. The facts show that AC has nothing to do with Respondents or the Arque-capital.com website and that Respondents are stealing the reputation and credentials of AC to commit their fraud.

### IV. THE PIRATED ARQUE WEBSITE

29. Respondents own the domain name Arque-capital.com. Respondents have a website found at Arque-capital.com and represent the website as that of AC. On the website, which is available to the general public, Respondents are representing itself as AC in an attempt to misrepresent to offerees and investors that Respondents are the registered broker AC. As stated above, Respondents have no relationship with AC. The website provides the Scottsdale, Arizona business address for AC.

30. Respondents registered the website with a domain service entity, which is located in Phoenix, Arizona, on May 28, 2020 and provided a web address similar to that of AC.

31. Respondents are soliciting investors to purchase investments in cryptocurrency via the pirated website at Arque-capital.com.

32. Respondents state on its website, "Arque-capital inc [*sic*] is a cryptocurrency trading and investments [*sic*] service company founded by professional brokerage traders who have been working in stock [*sic*] market for more than 10 years licensed under Finra and Sipc. The mission of our company is to provide reliable and profitable management systems for all members. We seek to grow and safeguard the investments of all our clients in a manner that maximizes profitability [*sic*] and trust. The whole trading system is built on state of the art quantitative models."



1        33. Respondents state on its website, “We bring the right people together to challenge  
2 established thinking and drive transformation. We will show the way to successive [sic]. Put your  
3 investing ideas into action with full range of investments. Enjoy real benefits and rewards on your  
4 accrue [sic] investing.”

5        34. Respondents state on its website, “We’re Certified,” “We’re Secure” and “We’re  
6 Profitable.”

7        35. The “About Us” section of Respondents’ website states, “Welcome to arque-  
8 capital.com, We [sic] help you make the best use of your financial resources, freeing your time to  
9 enjoy what matters most in life” and states it provides self-directed online trading or investors can  
10 work with “a [sic] arque-capital.com Investments professional...”

11       36. Respondents state on its website, “Our goal is to identify unique investment  
12 opportunities and work with the portfolio managers and/or companies to source the capital needed  
13 to grow the business.”

14       37. The “Core Values” section of Respondents’ website states, “Our financial planning  
15 process goes beyond a one-time checkup. Your **Aeoncapital** [Emphasis added] advisor will address  
16 all six key areas of financial planning using a roadmap that prioritizes you most important questions  
17 first.”

18       38. Actual and potential investors who visit the Arque-capital.com account are asked to  
19 “invest now” in one of several “Investment Plans” presented on the site.

20       39. The Investment Plans offer four options: Starter Plan (11% after 15 Hours, minimum  
21 of \$20 and “miximum” [sic] of \$1,000), Basic Plan (18% after 18 Hours, minimum of \$141 and  
22 “miximum” [sic] of \$5,000) , Golden Plan (35% after 48 Hours, minimum of \$2,001 and no limit)  
23 and Business Plan. (22% after 24 Hours, minimum of \$250 and “miximum” [sic] of \$10,000).

24       40. The “Invest To Grow Your Money!” section states, “Arque-capital investment  
25 company that promises the investor for an unsustainable high return on investment by paying the  
26 money of the new investors to the previous investors.”

41. Investors can sign up on the website by providing their name, a password, email address, “PerfectMoney Account,” and “Bitcoin Account ID.”

42. An Arizona resident went to the Arque-capital.com website, began a “chat” in the online chatroom, and expressed interest in investing in Bitcoin. The Arizona resident was advised by support personnel that there was a “100% guarantee” of a return in 24 hours after investing. When the Arizona resident asked if the support personnel was located in Scottsdale, Arizona, he was advised that they were. The Arizona resident was advised there were no risks and that he would get his returns within 24 hours.

#### IV.

**VIOLATION OF A.R.S. § 44-1841**

**(Offer and Sale of Unregistered Securities)**

43. From on or about May 26, 2020, Respondents have been offering or selling securities in the form of investment contracts associated with investments in cryptocurrency, within or from Arizona.

44. The securities referred to above are not registered pursuant to Articles 6 or 7 of the Securities Act.

45. This conduct violates A.R.S. § 44-1841.

**V.**

**VIOLATION OF A.R.S. § 44-1842**

**(Transactions by Unregistered Dealers or Salesmen)**

46. Respondents are offering or selling securities within or from Arizona while not registered as a dealer or salesman pursuant to Article 9 of the Securities Act.

47. This conduct violates A.R.S. § 44-1842.

## VI.

## VIOLATION OF A.R.S. § 44-1991

## (Fraud in Connection with the Offer or Sale of Securities)

48. In connection with the offer or sale of securities within or from Arizona, Respondents are directly or indirectly: (i) employing a device, scheme, or artifice to defraud; (ii) making untrue statements of material fact or omitting to state material facts that are necessary in order to make the statements made not misleading in light of the circumstances under which they are made; or (iii) engaging in transactions, practices, or courses of business that operate or would operate as a fraud or deceit upon offerees and investors. Respondents' conduct includes, but is not limited to, the following:

**1. RESPONDENTS' STATEMENTS ON THE PIRATED WEBSITE  
PURPORTING TO BE ARCADIA CAPITAL PARTNERS, LLC**

a) Respondents are misrepresenting its identity as ACP, when ACP is actually owned and controlled by an Arizona resident who has no relation to Respondent.

b) Respondents are misrepresenting it is a registered broker, ACP, when Arcadia is not registered as a salesman or broker with the Commission.

c) Respondents are misrepresenting its a member of FINRA and are appropriating the real Arcadia's CRD number.

d) Respondents are misrepresenting that the investment is a "SAFE AND SECURE CRYPTOCURRENCY INVESTMENT" when, in fact, the investment is being offered by an entity which has stolen the identity of ACP, and appropriated it as its own and does not have the consent of ACP or its officers to use its name and information.

e) Respondents are misrepresenting to offerees and investors that "We keep your investment safe and your profit is assured" when bitcoin and cryptocurrency are considered a volatile and risky investment.



**2. RESPONDENTS' STATEMENTS ON THE PIRATED WEBSITE  
PURPORTING TO BE ARQUE CAPTIAL, LTD.**

f) Respondents are misrepresenting its identity as AC, when AC is actually owned and controlled by an Arizona resident who has no relation to Respondent.

g) Respondents are misrepresenting it is the registered dealer, AC, when Respondents are not registered as a salesman or dealer with the Commission.

h) Respondents are misrepresenting that "We're Certified," "We're Secure" and "We're Profitable" and the program is "Guaranteed" when:

- i. the investment is being offered by an entity which has stolen the identity of AC and appropriated AC's identity as its own, does not have the consent of AC or its officers to use its name and information; and
- ii. investments in cryptocurrency are considered a volatile and risky investment.

i) Respondents are misrepresenting that the registered dealer, AC, is engaged in Ponzi like activity by stating that prior investors will be paid from investments of new investors, when AC is a licensed dealer and does not engage in such activity.

**3. RESPONDENTS' FAILURES TO DISCLOSE MATERIAL FACTS TO  
INVESTORS RELATED TO THE PIRATED WEBSITES**

a) Respondents failed to disclose their identity to offerees and investors.

b) Respondents failed to disclose Respondents' real actual address and location. Respondents are located in Nigeria.

c) Respondents failed to disclose to offerees and investors that they were not located in the USA which may impair an investor's ability to recoup any losses if the program does not work out as promised.

d) Respondents failed to disclose to offerees and investors Respondents' background and experience in investments.

e) Respondents failed to disclose to offerees and investors Respondents' experience in trading in cryptocurrency.

f) Respondents failed to disclose to offerees and investors any risks associated with the investment.

g) Respondents failed to disclose to offerees and investors whether investor funds are pooled with the funds of other investors.

h) Respondents failed to disclose to offerees and investors whether all or part of investors' funds will be used for investments in bitcoin and/or cryptocurrency.

i) Respondents failed to disclose to offerees and investors how Respondents will be compensated.

49. This conduct violates A.R.S. §§ 44-1991.

## **VII.**

### **CONTROL PERSON LIABILITY PURSUANT TO A.R.S. § 44-1999**

50. From at least August 25, 2017 through present, Okoye has been and/or held himself out as Coininvest.

51. From at least August 25, 2017 through present, Okoye directly or indirectly controlled Coininvest within the meaning of A.R.S. § 44-1999. Therefore, Okoye is jointly and severally liable to the same extent as Coininvest for its violations of A.R.S. § 44-1991 from at least August 25, 2017 through present.

## **VIII.**

### **TEMPORARY ORDER**

#### **Cease and Desist from Violating the Securities Act**

THEREFORE, based on the above allegations, and because the Commission has determined that the public welfare requires immediate action,

1 IT IS ORDERED, pursuant to A.R.S. § 44-1972(C) and A.A.C. R14-4-307, that Respondents,  
2 Respondents' agents, servants, employees, successors, assigns, and those persons in active concert or  
3 participation with Respondents CEASE AND DESIST from any violations of the Securities Act.

4 IT IS FURTHER ORDERED that this Temporary Order to Cease and Desist shall remain in  
5 effect for 180 days unless sooner vacated, modified, or made permanent by the Commission.

6 IT IS FURTHER ORDERED that if a request for hearing is made, this Temporary Order shall  
7 remain effective from the date a hearing is requested until a decision is entered unless otherwise  
8 ordered by the Commission.

9 IT IS FURTHER ORDERED that this Order shall be effective immediately.

10 **IX.**

11 **REQUESTED RELIEF**

12 The Division requests that the Commission grant the following relief:

- 13 1. Order Respondents to permanently cease and desist from violating the Securities Act,  
14 pursuant to A.R.S. §§ 44-2032;
- 15 2. Order Respondents to take affirmative action to correct the conditions resulting from  
16 Respondents' acts, practices, or transactions, including a requirement to make restitution pursuant to  
17 A.R.S. §§ 44-2032;
- 18 3. Order Respondents to pay the state of Arizona administrative penalties of up to five  
19 thousand dollars (\$5,000) for each violation of the Securities Act, pursuant to A.R.S. § 44-2036;
- 20 4. Order any other relief that the Commission deems appropriate.

21 **X.**

22 **HEARING OPPORTUNITY**

23 Each respondent may request a hearing pursuant to A.R.S. § 44-1972 and A.A.C. Rule 14-4-  
24 307. **If Respondents request a hearing, the requesting respondent must also answer this**  
25 **Temporary Order and Notice.** A request for hearing must be in writing and received by the  
26 Commission within 20 days after service of this Temporary Order and Notice. The requesting

respondent must deliver or mail the request for hearing to Docket Control, Arizona Corporation Commission, 1200 West Washington, Phoenix, Arizona 85007. Filing instructions may be obtained from Docket Control by calling (602) 542-3477 or on the Commission's Internet web site at <http://www.azcc.gov/hearing>.

If a request for hearing is timely made, the Commission shall schedule a hearing to begin 10 to 30 days from the receipt of the request unless otherwise provided by law, stipulated by the parties, or ordered by the Commission. **Unless otherwise ordered by the Commission, this Temporary Order shall remain effective from the date a hearing is requested until a decision is entered.** After a hearing, the Commission may vacate, modify, or make permanent this Temporary Order, with written findings of fact and conclusions of law. A permanent Order may include ordering restitution, assessing administrative penalties, or other action.

If a request for hearing is not timely made, the Division will request that the Commission make permanent this Temporary Order, with written findings of fact and conclusions of law, which may include ordering restitution, assessing administrative penalties, or other relief.

Persons with a disability may request a reasonable accommodation such as a sign language interpreter, as well as request this document in an alternative format, by contacting Carolyn D. Buck, ADA Coordinator, voice phone number (602) 542-3931, e-mail [cdbuck@azcc.gov](mailto:cdbuck@azcc.gov). Requests should be made as early as possible to allow time to arrange the accommodation. Additional information about the administrative action procedure may be found at <http://www.azcc.gov/securities/enforcement/procedure>.

## **XI.**

### **ANSWER REQUIREMENT**

Pursuant to A.A.C. R14-4-305, if Respondents request a hearing, the requesting respondent must deliver or mail an Answer to this Temporary Order and Notice to Docket Control, Arizona Corporation Commission, 1200 W. Washington, Phoenix, Arizona 85007, within 30 calendar days after the date of service of this Temporary Order and Notice. Filing instructions may be obtained

1 from Docket Control by calling (602) 542-3477 or on the Commission's Internet web site at  
2 [www.azcc.gov/divisions/hearings/docket.asp](http://www.azcc.gov/divisions/hearings/docket.asp).

3 Additionally, the answering respondent must serve the Answer upon the Division. Pursuant  
4 to A.A.C. R14-4-303, service upon the Division may be made by mailing or by hand-delivering a  
5 copy of the Answer to the Division at 1300 West Washington, 3<sup>rd</sup> Floor, Phoenix, Arizona, 85007,  
6 addressed to Wendy Coy.

7 The Answer shall contain an admission or denial of each allegation in this Temporary Order  
8 and Notice and the original signature of the answering respondent or the respondent's attorney. A  
9 statement of a lack of sufficient knowledge or information shall be considered a denial of an  
10 allegation. An allegation not denied shall be considered admitted.

11 When the answering respondent intends in good faith to deny only a part or a qualification  
12 of an allegation, the respondent shall specify that part or qualification of the allegation and shall  
13 admit the remainder. Respondent waives any affirmative defense not raised in the Answer.

14 The officer presiding over the hearing may grant relief from the requirement to file an  
15 Answer for good cause shown.

16 BY ORDER OF THE ARIZONA CORPORATION COMMISSION, this 23<sup>rd</sup> day of  
17 October, 2020.

18 /s/ Mark Dinell  
19 Mark Dinell  
20 Director of Securities  
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